

CITY OF OKANOGAN
Okanogan County, Washington
January 1, 1994 Through December 31, 1994

Schedule Of Findings

1. Parking Citations And Fines Should Be Supported By City Ordinance

In 1994, the City of Okanogan imposed time restrictions on parking spaces by placing signs at the locations to be restricted. The city did not have an ordinance limiting the use of the parking spaces until May 2, 1995, which sets time limits and restrictions, but does not specify any monetary fines to be imposed for violations (Ordinance 807).

RCW 46.61.570 (2) states in part:

Parking or standing shall be permitted in the manner provided by law at all other places except a time limit may be imposed or parking restricted at other places but such limitation and restriction shall be by city ordinance

During 1994 and part of 1995, the city issued parking citations and imposed fines for noncompliance with its parking restrictions without specific authorization by city ordinance. This practice makes it difficult for the public to determine exactly what the city's parking policy is and impairs the public's ability to participate in the process of establishing the city's parking policy. It also raises questions regarding the validity of the citations issued.

We recommend that the city council adopt an ordinance that includes the dollar amount of fines to be imposed for parking violations. In addition, we recommend that all parking time limits, restrictions, and fines be established by the city council prior to implementing enforcement.

2. The City Should Account For Travel Expenses In Accordance With Federal, State, And Local Regulations

Our review of travel expenses at the City of Okanogan disclosed the following weaknesses:

- a. The city did not report personal use of all city vehicles as additional compensation as required by IRS regulations.
- b. The city did not prepare travel certifications for all travel as required by state law.
- c. The city did not require an accounting for travel expenses incurred on a bank card to be made within ten days of the billing date as required by state law.
- d. The city did not require separate receipts from employees on travel status together as required by local policy.
- e. The city allowed evening meals on the return trip home to be reimbursed which is prohibited by local policy.
- f. The city's travel and credit card policies do not meet the requirements of Chapter 42.24 RCW and BARS Manual Vol. 1., Part 3, Chap. 3, Pages 19 and 20. We brought the discrepancies to the attention of the city in our last audit and suggested that they review the requirements and update the policies. No changes were made in either policy. The policies do not prohibit entertainment expenses, do not require settlement within ten days of the billing date, and do not require monthly travel certifications from all employees.

The following regulations govern the city's travel expenditures. Internal Revenue Service regulations on the Taxation of Fringe Benefits define personal use of an employer-provided vehicle as a taxable benefit to the employee. Personal use includes commuting, as well as local and out-of-town personal travel. The city has the option not to withhold income taxes, but they must withhold social security taxes on the imputed value of an employee's personal use of the city provided vehicle.

The city's personnel policy on the use of a city vehicle states:

Under no circumstances will city vehicles be used for personal use. City vehicles may be used for commuting from home to the place of work subject to the approval of the mayor. In the event a vehicle is used for the purposes of commuting, the employee will be subject to the IRS regulations pertaining to "municipal vehicles used by an employee".

Revised Code of Washington (RCW) 42.24.090 states in part:

No claim for reimbursement of any expenditures by officers or employees of any municipal corporation or political subdivision of the state for transportation, lodging, meals, or any other purpose shall be allowed by any officer, employee or board charged with auditing accounts unless the same shall be presented in a detailed account

RCW 42.24.115 (2) states in part:

Upon billing or no later than ten days of the billing date, the officer or employee using a charge card issued under this section shall submit a

fully itemized travel expense voucher. Any charges against the charge card not properly identified on the travel expense voucher or not allowed following the audit required under RCW 42.24.080 shall be paid by the official or employee by check, United States currency, or salary deduction

The State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual instructs municipal corporations to address credit card travel regulations as required by Chapter 42.24 RCW when establishing an ordinance or resolution related to travel.

The city's own travel policy regarding reimbursement of meals states:

If there is more than one person, get individual receipts, and

Evening meal is not normally a reimbursable meal on the day that you return home.

Because the city has not been enforcing applicable federal, state and local regulations, unallowable travel expenses may have been reimbursed.

We recommend the city comply with federal, state, and local requirements regarding travel and the establishment of travel policies.